

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S )  
INVESTIGATION, PURSUANT TO IC § 8-1-2- )  
58 INTO THE EFFECTIVENESS OF DEMAND )  
SIDE MANAGEMENT ("DSM") PROGRAMS )  
CURRENTLY UTILIZED IN THE STATE OF )  
INDIANA, INCLUDING AN EXAMINATION )  
OF ISSUES THAT COULD IMPROVE THE )  
EFFECTIVENESS OF DEMAND SIDE )  
MANAGEMENT PROGRAMS IN THE STATE, )  
INCLUDING CONSIDERATION OF THE )  
ESTABLISHMENT OF AN INDEPENDENT )  
DSM ADMINISTRATOR MODEL ON A STATE )  
WIDE BASIS )

RESPONDENTS: ALL JURISDICTIONAL )  
ELECTRIC AND GAS UTILITIES IN THE )  
STATE OF INDIANA )

CAUSE NO. 42693

ORDER ON MOTION  
FOR CLARIFICATION

APPROVED: FEB 03 2010

BY THE COMMISSION:

David E. Ziegner, Commissioner

Scott R. Storms, Chief Administrative Law Judge

On July 28, 2004, the Indiana Utility Regulatory Commission ("Commission") initiated an investigation to review Demand Side Management ("DSM") issues and programs in the State of Indiana. The Commission issued its Phase I Order in this proceeding on April 23, 2008. In its Phase I Order, the Commission outlined a series of issues to be addressed in Phase II of this proceeding. Pursuant to notice, duly published as required by law, an Evidentiary Hearing was held in Phase II of this proceeding on August 25, 2009, at 9:30 a.m. EDT, in Room 222, National City Center, 101 West Washington Street, Indianapolis, Indiana. Following the Evidentiary Hearing and the submission of proposed orders, the Commission issued a Phase II Order in this Proceeding on December 9, 2009.

On December 29, 2009, Anderson Municipal Light & Power ("Anderson"); City of Auburn, Indiana ("Auburn"); Duke Energy Indiana, Inc. ("Duke Energy Indiana"); Harrison County Rural Electric Membership Corporation; Hoosier Energy Rural Electric Cooperative, Inc.; Indiana Michigan Power Company; Indiana Municipal Power Agency; Indianapolis Power & Light Company; Jackson County Rural Electric Membership Corporation; Marshall County Rural Electric Membership Corporation; Mishawaka Utilities; Northern Indiana Public Service Company; Northeastern Rural Electric Membership Corporation; Richmond Power & Light; Southern Indiana Gas & Electric Company, d/b/a Vectren Energy Delivery of Indiana, Inc.; and Wabash Valley Power Association, Inc. (all of the foregoing referred to herein as the "Utility Group") filed a *Petition for Reconsideration in the Nature of Clarification* ("Motion for Clarification" or "Motion") of the Phase II Order.

In its Motion for Clarification, the Utility Group indicated that the Motion "identifies some, but not all, of the questions and issues arising from the Commission's Phase II Order." Notwithstanding this caveat, the Motion for Clarification specifically identifies certain issues that the Utility Group contends are in need of clarification and intersperses additional arguments with respect to additional issues.

With respect to specific issues identified in the Motion for Clarification, the Utility Group presents the following matters for consideration by the Commission: (1) whether the percentages by year of annual savings goals in the Phase II Order are intended to be annual savings or incremental annual savings targets; (2) whether core and non-core programs count toward the energy efficiency targets; (3) whether historical utility-sponsored DSM program savings count toward the saving targets; (4) whether the current economic downturn in electricity sales will be considered vis-à-vis achievement of the interim or overall goals; (5) how the load from customers that are allowed to opt out of programs will be addressed with respect to measuring savings; (6) how fluctuations in large customer load will impact goal achievement and whether issues regarding the harmonization of the target savings with other state policies such as economic development will be considered; (7) how state and federal codes/standards may be counted toward the achievement of the established goals and if utility advocacy with respect to participation in the establishment of increased codes and standards will be recognized in determining compliance with the energy savings goals; (8) whether, additional evidence related to any of these issues may be presented in the Implementation Subdocket; (9) whether the requirements contained in the Phase II Order will be adjusted to reflect decisions made throughout the Implementation Subdocket.

The Commission has reviewed the Motion for Clarification and finds that the Phase II Order is clear on its face with respect to its specific conclusions as well as the specific limited issues to be considered by the Commission in the Implementation Subdocket. Therefore, the Motion for Clarification is hereby denied. In reaching this conclusion, the Commission notes that it conducted an Attorneys' Conference on January 26, 2010 in an effort to facilitate implementation of the Phase II Order and that Commission staff will continue to work with the parties in the Implementation Subdocket to ensure that the provisions of the Phase II Order are effectuated in a timely manner.

**IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:**

1. The Motion for Reconsideration in the Nature of Clarification filed in this matter on December 29, 2009, is hereby denied in its entirety by the Commission.
2. This Order shall be effective on and after the date of its approval.

**HARDY, ATTERHOLT, GOLC AND ZIEGNER CONCUR; LANDIS ABSENT:**

**APPROVED: FEB 03 2010**

**I hereby certify that the above is a true and correct copy of the Order as approved.**

  
**Brenda A. Howe, Secretary to the Commission**